

# **BUSINESS ROUNDTABLE**

## **WORK PLAN FOR IMPLEMENTING CLIMATE VISION COMMITMENT**

### **November 2004**

The Business Roundtable is an association of chief executive officers of leading U.S. corporations from diverse sectors of the economy representing \$4 trillion in annual revenues and a combined workforce of more than 10 million employees in the United States. The Roundtable is committed to advocating public policies that foster vigorous economic growth, a dynamic global economy, and a well-trained and productive U.S. workforce essential for future competitiveness.

### **Summary**

The Business Roundtable is participating in Climate VISION through our Climate RESOLVE (Responsible Environmental Steps, Opportunities to Lead by Voluntary Efforts) initiative. The Roundtable developed Climate RESOLVE in order to demonstrate CEO-level leadership in expanding business participation in voluntary greenhouse gas (GHG) management programs. Climate RESOLVE is based on a recognition that, because emissions from any individual company represent a small fraction of total GHG emissions, every company in every sector must take effective action to meet the Administration's economy-wide targets for reducing GHG intensity. That is why the ultimate goal of Climate RESOLVE is *100 percent participation by Roundtable members in voluntary GHG management programs*.

Experience has shown that management strategies for GHG emissions vary across sectors. Accordingly, Climate RESOLVE allows each company to determine what actions to take after reviewing its own operational and financial situation. Because of the breadth of the Roundtable's membership, it would be impossible for Climate RESOLVE to prescribe specific targets or strategies for reducing, avoiding, sequestering or offsetting GHG emissions. However, we have urged our members to consider actions that will achieve the 18% reduction in GHG intensity by 2012 called for by President Bush. In addition, many Roundtable companies are committing to specific reduction targets as part of sector-specific programs under Climate VISION and other government initiatives such as the EPA Climate Leaders Program. The Roundtable has encouraged our members to participate in such programs in addition to Climate RESOLVE.

Climate RESOLVE will continue until 2012, the milestone selected by the President for reviewing national progress in reducing GHG intensity and determining next steps.



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## **Element 1: Emission Management and Reporting Protocols**

Because Climate RESOLVE participants are drawn from numerous business sectors, the Roundtable is not in a position to develop a standard protocol for tracking and reporting GHG emissions and emissions intensity. Nonetheless, Climate RESOLVE is built on a recognition that measuring emission reduction progress and reporting results to government and the public are vital to assure that industry's efforts are transparent and credible and to assure a full accounting of emissions reductions in the U.S. Accordingly, Climate RESOLVE encourages companies to develop and implement comprehensive GHG management programs with several key elements. At the program development stage, companies are urged to: (1) review their emissions profiles; (2) evaluate their operations for opportunities to reduce GHG intensity; (3) establish GHG emission management goals; and (4) develop procedures for tracking progress and meeting goals. At the program implementation stage, companies are urged to (1) achieve their goals by taking actions to reduce, avoid, sequester or offset GHG emissions; (2) measure their success in reaching these goals by tracking reductions in GHG emissions and/or intensity; (3) report entity-wide emission/intensity reductions and/or reduction projects to the DOE Section 1605(b) GHG Registry; and (4) utilize other mechanisms for communicating GHG reduction accomplishments to key stakeholders, including company websites, employee bulletins and reports to shareholders and the public.

When Climate RESOLVE was launched, it was apparent that Roundtable members differed substantially in their readiness and capacity to undertake voluntary actions to control GHG emissions. Climate RESOLVE is structured to accommodate the differing levels of expertise within the Roundtable membership. Companies with preexisting programs are encouraged to continue and enhance ongoing activities to reduce, avoid, sequester or offset GHG emissions. On the other hand, companies lower on the learning curve may initially participate in the program by committing to the critical program elements that lay the groundwork for subsequent measures to manage emissions and report results. Climate RESOLVE envisions that these companies will progressively expand their programs so that they are ultimately participating in all aspects of GHG management, including reviewing their emission profiles, setting reduction goals, implementing measures to achieve those goals, tracking progress and reporting results.

The Roundtable has taken several steps to provide its members with the tools for successful GHG management.

### **Workshops**

An important element of the Roundtable's implementation strategy for Climate RESOLVE is regular workshops to educate Roundtable members about GHG management. There have been three workshops to date.

The first workshop was held on February 25-26, 2003 in Leesburg, Virginia. Topics covered were: developing and implementing a company climate change program; industry sector voluntary initiatives; fundamentals of GHG accounting; cost-effective mitigation options and programs; and reporting to the DOE §1605(b) registry. A diverse array of speakers made presentations, including company experts, senior officials from DOE and EPA and

representatives of environmental groups. Attendees received a voluminous compendium of background materials.

A second Climate RESOLVE workshop was held in San Francisco, California on September 18-19, 2003. This workshop provided an in-depth discussion of high-priority issues that emerged at the first workshop and in follow-up discussions with companies. A wide range of company experts and government officials participated as speakers. Topics covered were: how to develop a company energy/climate program; examples of successful projects in both manufacturing and commercial buildings; the benefits of using energy service companies; supply chain/customer initiatives; updates on DOE and EPA climate programs; communicating voluntary climate actions to employees, shareholders and the public; sequestration as an option; ENGO programs; state, federal and international GHG registries; GHG accounting software and collection systems; and GHG accounting issues.

The most recent Climate RESOLVE workshop took place on September 23-24, 2004 in Colorado Springs, Colorado and again featured presentations by leading officials from the Administration, DOE and EPA, private sector officials with first-hand experience managing GHG emissions, and representatives of environmental groups. Topics covered included: energy management programs; technology options; GHG accounting; benchmarking; and GHG credit trading programs.

### **Support Services for Members**

The Roundtable has provided additional support to members developing and implementing GHG management programs in a variety of ways:

- ***One-on-One Consulting.*** The Roundtable has retained an experienced GHG management consultant to assist participating companies on a one-on-one basis. Each week, the consultant addresses member questions by conference call, typically with three to four individuals involved in designing a company's GHG management program. Issues covered include: how to complete the Climate RESOLVE participation form; techniques for GHG accounting; establishing internal systems and policies; energy management and other cost-effective mitigation options; and reporting to the DOE §1605(b) Registry. This service is available to all Roundtable member companies.
- ***Learning Sessions.*** The Roundtable has launched an ambitious series of telephone Learning Sessions to allow company representatives to learn about GHG management from the convenience of their offices, ask questions, get live answers, and interact with both instructors and other participants. Instructors have included representatives from EPA and DOE as well as company experts. Eleven Learning Sessions have occurred to date addressing the following topics:
  - Basics in GHG Accounting
  - Corporate Energy Management
  - Commercial and Space Lighting
  - Buildings Operation & Management Practices

- Renewable Energy as an Option
- Energy Efficiency Audits for Manufacturing
- DOE Industrial Energy Efficiency Training Session on Steam Systems
- Using Benchmarking Tools for Company-wide Commercial Building Energy Efficiency Programs
- Energy Efficient Lighting Projects for Commercial Buildings
- Distributive On-site Generation Systems (<5MW) for Power, Heating, and Cooling of Commercial Office Buildings
- Energy Efficient Office Products and Company Success Stories for Commercial Buildings

Learning Sessions will again be held regularly during the remainder of 2004 and throughout 2005.

### **Survey and First Annual Report**

Early in 2004, the Roundtable surveyed all Climate RESOLVE participants about their efforts to manage GHG emissions. The survey sought to assess the progress that these companies were making in establishing the elements of effective GHG management programs. The survey also asked what specific steps companies were taking to inventory their emissions, identify and implement measures to reduce, avoid, sequester or offset those emissions, participate in government programs and report their accomplishments to agencies and the public.

On September 22, 2004, the Roundtable issued a report -- *Every Sector, One RESOLVE: A Progress Report on Business Roundtable's Climate RESOLVE Program* – that summarizes the survey results and describes the level of participation in Climate RESOLVE by Roundtable members. (The report can be accessed at <http://www.businessroundtable.org/pdf/ClimateRESOLVE/2004CRAnnualReport.pdf>). As described in the report, 70 percent of Roundtable member companies – representing every sector of the U.S. economy – have enrolled in Climate RESOLVE. The Roundtable survey provides strong evidence that Roundtable members are serious about their commitments under Climate RESOLVE and are advancing rapidly from program development to actual implementation of GHG management measures. The survey indicates that all of the respondents are putting in place the building blocks for effective GHG management and that 92 percent of these companies have taken or are taking measures this year to manage GHG emissions.

Additional findings from the Roundtable's survey include:

- 92 percent of respondents have reviewed their GHG emissions profile or are doing so in 2004.
- 89 percent have taken or are taking actions to reduce, avoid, offset or sequester GHG emissions.
- 71 percent have established or are establishing written policies to track and meet GHG emissions goals.
- 72 percent have reported or are reporting GHG management activities to the public.

- 76 percent have participated or are participating in government-sponsored programs to reduce, avoid, offset or sequester GHG emissions.
- 61 percent have invested or are investing this year in new technologies or products to improve energy efficiency, reduce GHG emissions or lower GHG intensity in the environment.

## **Element 2: Identify/Implement Near-Term Cost-Effective Opportunities**

A major focus of Climate RESOLVE is encouraging Roundtable members to identify and implement near-term cost-effective CO<sub>2</sub> reduction opportunities, including but not limited to energy efficiency programs. The Roundtable's workshops and learning sessions have devoted considerable attention to this subject. For example, learning session topics have included corporate energy management, commercial and space lighting, building operation and management practices, renewable energy options, energy efficiency audits for manufacturing, and benchmarking tools for commercial building energy efficiency programs. Experts from DOE, EPA and industry have participated extensively in these sessions. A major focus has been the "business case" for investing in energy efficiency.

The Roundtable has collected a large number of member "success stories" which illustrate innovative GHG management strategies that have resulted in both significant GHG mitigation and a return on company investment. The success stories are being used both to educate and motivate other companies and to communicate to external audiences the progress that Roundtable members are making in controlling their GHG emissions. The success stories illustrate the diversity of GHG management strategies that industry is successfully employing. (All success stories can be viewed on the Business Roundtable's website at <http://www.businessroundtable.org/TaskForces/TaskForce/crdocument.aspx?qs=68B5BF159FF49514481138A77BE7A7A19BB6487B96A3AB2>).

On September 30, 2004, the Roundtable launched a new multi-part initiative to encourage companies from the service industries to join Climate RESOLVE. The thrust of this initiative is to educate these companies about the contribution of energy consumption in commercial buildings to GHG emissions by energy producers and the role that energy efficiency can play in avoiding and reducing these emissions. The initiative includes a guidebook on reducing energy use in commercial buildings and a new Web tool developed in partnership with the ENERGY STAR program that provides step-by-step assistance in establishing GHG-reducing energy management programs. (The guidebook can be accessed at [http://www.businessroundtable.com/pdf/ClimateRESOLVE/energypaper\\_final.pdf](http://www.businessroundtable.com/pdf/ClimateRESOLVE/energypaper_final.pdf)).

## **Element 3: Develop Cross-Sector Projects for Reducing Greenhouse Gas Emission Intensity**

Since the Roundtable's membership represents several business sectors, Climate RESOLVE is by definition a cross-sector program. For this reason, the Roundtable's workshops and learning sessions have provided a forum for the exchange of ideas and experiences among experts from

diverse sectors. Cross-sector dialogue has encompassed several subjects of broad interest to the Roundtable's membership, including GHG accounting, energy efficiency strategies for manufacturing facilities and commercial buildings, green power purchases, reporting to the DOE GHG Registry, methane recovery opportunities and sequestration and other offset programs. A unique strength of the Roundtable has been the ability to promote direct interaction between companies developing energy-efficient technologies and companies able to deploy these technologies in their operations.

#### **Element 4: Accelerate Investment in R&D and Commercialization of Advanced Technology**

The Roundtable has consistently emphasized that breakthrough technologies will be needed for long-term progress toward stabilization of GHG concentrations in the atmosphere at an acceptable level. As a critical element of effective GHG management, Climate RESOLVE has encouraged Roundtable members to invest in developing products or technologies which improve energy efficiency, reduce GHG emissions or lower GHG intensity. In its recent survey of Climate RESOLVE participants, the Roundtable asked companies to provide examples of such investments. The survey results demonstrate that Roundtable members are pursuing a wide range of technological innovations with potential GHG benefits. The Roundtable report on Climate RESOLVE describes these innovations in greater detail.

The Roundtable will continue to report progress regularly on Climate RESOLVE to Climate VISION.